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RUEHLC/AMEMBASSY LIBREVILLE 0916
RUEHLI/AMEMBASSY LISBON 0762
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RUEHTO/AMEMBASSY MAPUTO 0430

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TAGS: [EAID](#) [SNAR](#) [PREL](#) [ECON](#) [PU](#)
SUBJECT: GUINEA BISSAU: DONORS GIVE TEPID SUPPORT

REF: HOLLIDAY-IVANOVA EMAIL 10-31-06

Classified By: Acting DCM Claud R. Young for reasons 1.4 (b) and (d)

SUMMARY

11. (U) The GOGB fell short of its goals for program and budget support at the Donor,s Round Table sponsored by the UNDP in Geneva Nov. 7-8 but will probably still cover its budget gap due to heavy lobbying and delayed pledges. End Summary.

ARM TWISTING WILL LIKELY PAY OFF

12. (U) At the start of the conference, Guinea-Bissau needed to make up a budget gap of USD 15 million for FY 2006 and USD 26 million for FY 2007 in order to get additional World Bank and IMF support loans. During the two days, the GOGB secured pledges of USD 29.45 million in budget support, cumulative for the two fiscal years, and USD 233.06 million in program support over six years (2006-2011).

13. (U) Some donors, such as Spain, indicated budget support would likely be forthcoming but the background documents had not been distributed with enough time to get instructions from capitals on how much could be offered. Those who made sizeable contributions such as the EU, Portugal, France, China, South Africa, ECOWAS and the West African Economic and Monetary Union (WAEMU) will likely ensure Guinea-Bissau does not &cross the ocean only to die on the beach in the words of Prime Minister Aristides Gomes, the round table chair. The GOGB will continue to lobby potential donors hard, as they did in the back rooms of the conference, to cover the gap. They also vowed to continue trying to cut down the budget but claimed it was already very tight thanks to the IMF delegation that helped them draft it.

14. (U) World Bank and IMF delegates spoke in favor of support and urged donors to fill the budget gap so they could consider Guinea-Bissau for broader assistance (no details were given).

15. (U) U.S. delegation head Gregory Holliday delivered the prepared statement (reftel) announcing upcoming programmatic support and the fact that the USG is working toward reopening the U.S. Embassy in Bissau. Spain also announced it would open an embassy in Bissau among the six new embassies it was opening in West Africa.

COMMENT

¶16. (C) There was little talk during the sessions about drug trafficking, corruption, or the intentions of former president Kumba Yala who stated publicly upon his return to Bissau that the elected government has no legitimacy. However, delegates were concerned about these issues and it showed in their tepid statements of support. Overall, there seemed to be a &wait and see8 approach by most donors.

JACOBS